AUGUST 1995

AT&T NEWS

NEWSBRIEFS

AT&T GLOBAL INFORMATION SOLUTIONS announced a plan to reduce costs and increase profitability. (Story page 4.)

NETWORK SYSTEMS GROUP AND PHILIPS Electronics signed a Memorandum of Understanding expressing their intent for AT&T to purchase a portion of the public network assets held by Philips Communication Systems division.

AT&T VENTURES has purchased an $8 million equity position in BBN Planet, a BBN subsidiary that provides managed Internet access and value-added services to business. AT&T and BBN previously agreed to provide businesses with a range of services for reliable, safe access to the Internet.

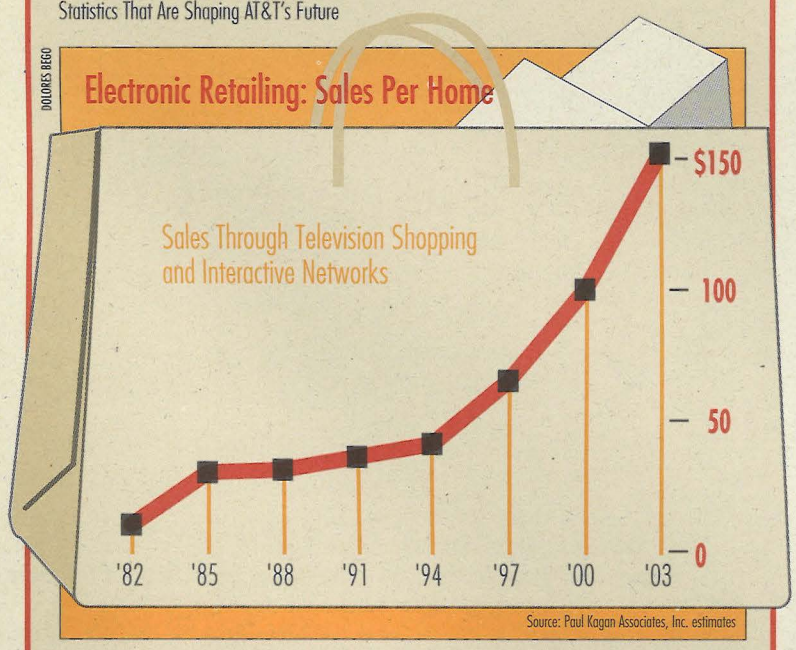
BELL LABORATORIES RESEARCHERS have created a computer operating system based on the concept of distributed computing. Called *Plan 9*, the operating system makes it easier to access and process data anytime, anywhere. (Story page 5.)

BILL O'SHEA HAS BEEN NAMED president, International Regions and Professional Services/Program Management, AT&T Network Systems Group. O'Shea had been senior vice president, Worldwide Marketing, AT&T Global Information Solutions.

WERNER SULZER HAS BEEN appointed managing director, AT&T Germany. Sulzer had been chairman, Olivetti Germany and spent 22 years with Honeywell-Bull.

MARKETPLACE

Statistics That Are Shaping AT&T's Future



DOLORES BEGO

INSIDENEWS

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FELIX BRYANT/AT&T MEDIA SERVICES

Thousands Rally In DC To Support AT&T on HR Bill

By Ollie Hartsfield and Tawnja Cleveland

THERESA WILLIAMS, MANager, Network Services Division, momentarily stood in the aisle, holding onto the seats to keep her balance as the Amtrak train rumbled along the tracks, heading toward Washington D.C. From the beginning, said Williams, she had done her part in AT&T's effort to get a fair telecommunications reform bill—writing letters to Congress and making phone calls. Now she, and nearly 3,000 other AT&T employees, were heading to Washington to deliver their message in person. The message: a bill that allows the Regional Bell Operating Companies (RBOCs) to enter long distance with their monopolies intact will hurt competition, consumers and AT&T employees.

It was the first time in AT&T's 119-year history that AT&T had mounted such an initiative involving pending legislation. And time was short. AT&T had learned in mid-July that the leadership of the House of Representatives appeared to be making major changes to HR 1555—the telecommunications reform bill that had been overwhelmingly approved by the House Commerce Committee. The changes would allow the RBOCs to enter the long-distance market before there was full competition in their local markets. And those changes might be voted on in a matter of days.

The proverbial push had come to shove.

The Rally

The rocking rhythms of James Brown's "Living in America" reverberated off the walls of Constitution Hall in Washington.

"Who are we?" called Mel Blackwell, vice president, Federal Government Affairs.

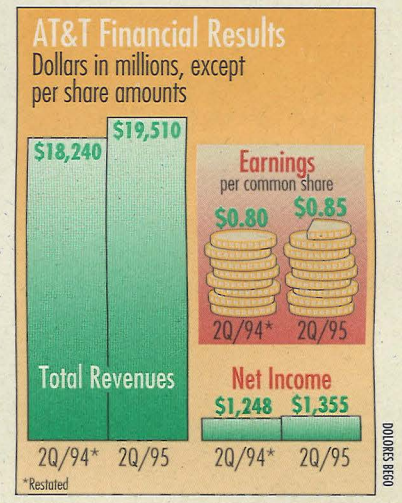
"AT&T!" cheered employees in a sea of blue T-shirts and white hats.

The hall was filled with AT&T employees from New York, New Jersey, Virginia and Maryland. They had come by chartered trains and buses, or by their own cars. Some had left home as early as 3 a.m.

Other supporters of fair competition were in the audience, too: Marlin Fitzwater, spokesperson for the Competitive Long Distance Companies Coalition (CLDC) and former Bush White House press secretary; former Senator Howard

—See WASHINGTON, page 4

Record Results Reported for 2nd Quarter '95



DOLORES BEGO

By Suzanne Sidhu

"It was a challenging quarter for many parts of the business," said Rick Miller, executive vice president and chief financial officer, reviewing second-quarter 1995 performance. "Yet we still managed to deliver very good results. In fact, our net income was a record for AT&T since divestiture."

AT&T's STRONG SHOWING in the second quarter was fueled by growth in long distance and wireless services revenues, product sales and financial services.

Second-quarter net income was $1.355 billion, or 85 cents a share. Year-ago profits were $1.248 billion, or 80 cents a share. However, if one-time items associated with the redemption of preferred stock and the McCaw merger were eliminated from the second quarter of 1994, earnings from operations were $1.195 billion, or 77 cents a share.

Total revenues for the second quarter this year were $19.51 billion, 7 percent higher than the $18.24 billion in the second quarter of 1994.

"It was generally a good quarter," said Chairman Bob Allen. Business group performance bears him out:

Communications Services

Long-distance volumes increased 9.2 percent compared with the second quarter last year.

Telecommunications services revenues increased 6.2 percent compared with last year.

Business Services' revenue growth rate has shown marked improvement for the past three quarters.

—See REVENUES, page 7

AROUND AT&T

AGENTLESS TRAVEL

AT&T Solutions and Rosenbluth International of Philadelphia have announced an initiative to provide businesses a new solution for their travel-related needs. The electronic-travel management solution allows businesses and their employees to make all of their related arrangements, anytime, anywhere, without agents' intervention. The solution also offers complete vouchering, expense ticketing and reporting capabilities to help businesses reduce and better manage their travel costs. Complete details on the initiative will be released this September. Rosenbluth International is the third-largest travel management company worldwide.

ELECTRONIC IDs Global Information Solutions and Polaroid Electronic Imaging Systems have forged a marketing partnership to offer government agencies highly secure, portrait ID systems based on the latest digital technology. Using an Image Capture Workstation, government workers can capture images such as photos, fingerprints and signatures, and print out IDs on the spot. Both companies already have jointly marketed and sold the ID systems to the Department of Motor Vehicles for Colorado and Texas.

DAVID FERLAND

CARIBBEAN CONNECTION

U.S. travelers making a port of call in the French Antilles or French Guiana can now keep in touch with loved ones back home by using AT&T's *USADirect* Service. USADirect gives callers a quick, easy connection to an English-speaking AT&T operator or automatic voice prompts, making it simple to call home to the United States even when the traveler is unfamiliar with the local phone system and language. The service is now available from more than 130 countries worldwide. For more information, call 800-331-1140, ext. 100.

PC SERVERS Global Information Solutions has introduced new *Globalyst* PC servers, extending PC&C (personal computing and communications) across its Globalyst family from the laptop to the network. The new servers offer Intel's Pentium® processor-based scalability that ranges from 60MHz through 133MHz. The Globalyst PC server family includes the single processor Globalyst S10 through the balanced symmetrical multiprocessing four-processor, Globalyst S40. For more information, call 800-447-1124.

SINGLE SWITCH

Network Systems Group, Oneonta Telephone Co. and North Alabama Cellular have deployed the first cellular and landline telephone service on a single switch. The services run on an AT&T *5ESS*-2000 Digital Switching system located in Oneonta, Ala. This unique combination allows economies of scale to be achieved in an area where population density would have otherwise prohibited deployment of advanced technology. The switch provides landline customers with advanced features such as caller ID and call return. Customers using cellular phones equipped with displays can receive notification of voice-mail messages and caller ID.

ADVANCED TTY AVAILABLE

Consumer Products has introduced a product that helps consumers who are deaf or hard-of-hearing communicate more naturally than before. The AT&T Advanced TTY 8840 unit includes a telephone with amplification, TTY signaling, speed dialing and auto-answer capabilities. Turbo Code, the latest TTY technology, enables callers to interrupt each other and interject comments just as hearing people do on voice calls. A voice feature lets callers converse through a handset, and a printer connection allows them to make an instant transcript of a TTY conversation. For more information about the TTY 8840, contact a Phone Center or call 800-233-1222 for voice calls, or 800-896-9032 for TTY calls.

CONSUMER COMMUNICATIONS SERVICES

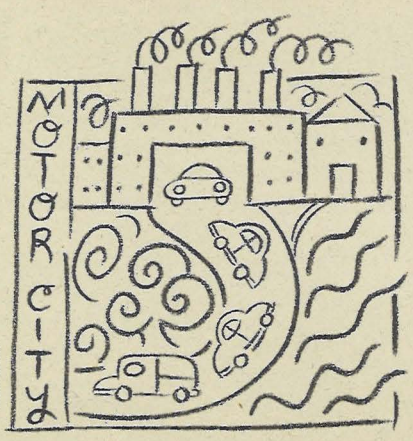
JULIE PACE

REVOLUTIONARY IDEA

In honor of Bastille Day, Consumer Communications Services offered its residential customers a special promotion on calls made to France from July 10 to 16. Customers calling France during that period enjoyed AT&T's lowest prices, 24 hours a day. Also, customers enrolled in *TrueWorld Savings* or *TrueCountry Savings* received the plan's lowest rates during the week.

SMART NETWORK Business Communications Services introduced three 800 service offers that let AT&T business customers provide the timeliness and convenience of conducting transactions over the phone without the expense of using a live agent. The new services, AT&T Order Express, AT&T 800 Advertising Advantage and AT&T 800 Answer Advantage, leverage the intelligence of the AT&T network to perform many call-center functions traditionally handled by live agents such as processing transactions, gathering data and fulfilling customer requests for information. For more information, call 800-222-0400.

SCHERING-PLOUGH SELECTS RUSSO—Global Business Communications Systems (GBCS) President Pat Russo has been elected to the Schering-Plough Corp. board of directors. The company researches, develops, manufactures and markets pharmaceutical and health-care products worldwide. Russo also serves on the board of directors of New Jersey Manufacturers Insurance Co. and is a trustee of the Alliance for Employee Growth and Development, a cooperative venture of AT&T, the Communications Workers of America and the International Brotherhood of Electrical Workers.



CARO TOLOSIS

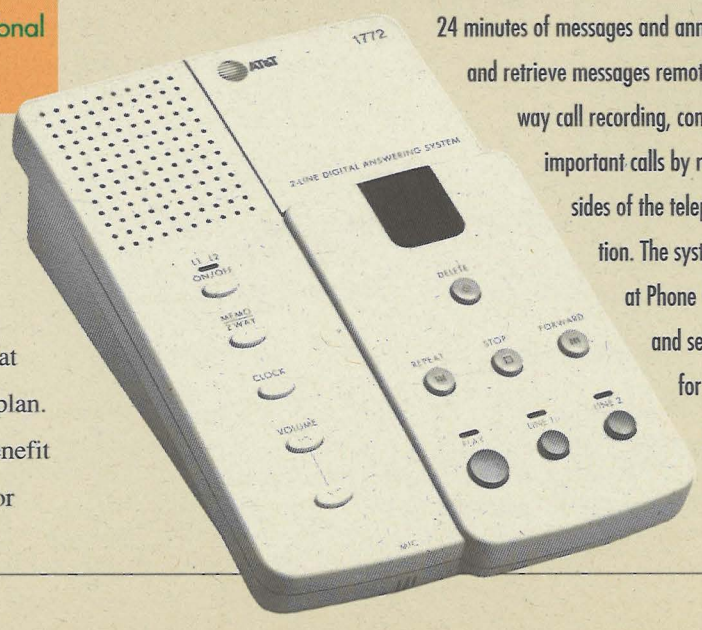
PARTNERS FOR GROWTH

Detroit is the second city to be selected for the 1995 "Partners for Growth" program sponsored by AT&T Capital Corp. and the American Institute of CPAs. The program awards $50,000 in grants to be shared by selected new or start-up businesses that combine a socially responsible mission with a sound business plan. Applicants must demonstrate how their products or services benefit their communities. The deadline for applications is Aug. 15. For information, call 800-822-8632.

CONSUMER PRODUCTS

INSTANT MESSAGE

Small offices and home offices now can have the benefits of digital recording technology with Consumer Products' Two-Line Digital Answering System 1772. Consumers can hear their messages instantly without waiting for tapes to rewind, record up to 24 minutes of messages and announcements, and retrieve messages remotely. With two-way call recording, consumers can save important calls by recording both sides of the telephone conversation. The system is available at Phone Center stores and select retail outlets for $169. For more information, call 800-222-3111.



Sherry Plotkin, a national account manager for Global Business Communications Systems in Pasadena, Calif., loves the home arrangement that puts her closer to her customers. "Telecommuting gives me back two to four hours every day that I use to serve customers," she says.

National Program Encourages Workers To Telecommute

By Tawnja Cleveland

TECHNOLOGY IS CREATING *alternatives to traditional work* arrangements, and telecommuting is among those moving to the forefront. Recognizing the need to raise awareness among U.S. workers about that alternative, AT&T has teamed up with federal government and nonprofit groups to launch a national program that will help workers test the waters of telecommuting and will culminate in a coast-to-coast event in the fall.

The program, Telecommute America! Discover a New Workplace, is the first designed to promote telecommuting and other nontraditional work arrangements and encourages U.S. workers and employers to try telework alternatives during the week of Oct. 23-27.

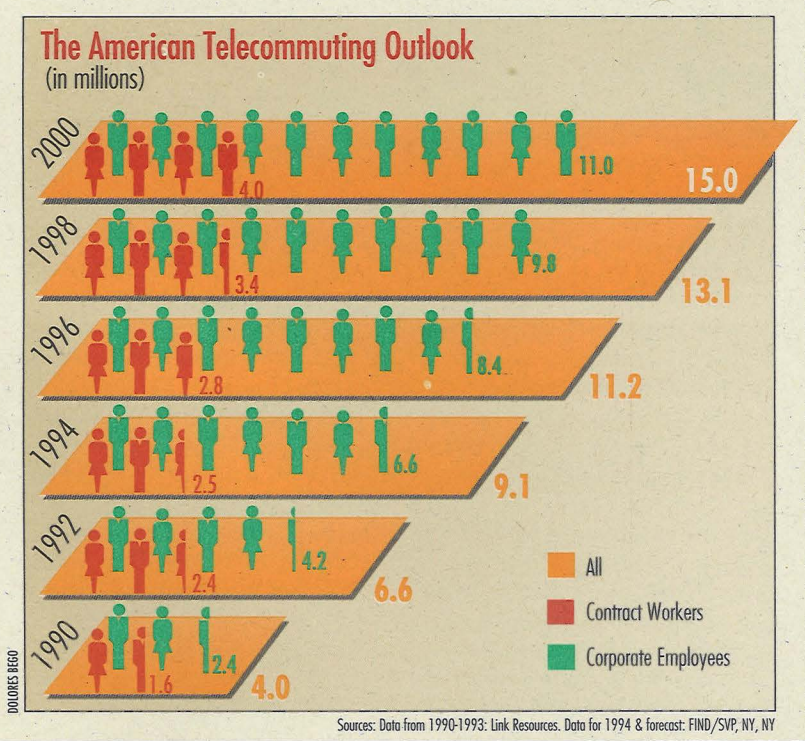
Telecommute America! week will highlight five different work styles, including home-based telecommuting, work-at-home entrepreneurs, remote call center agents, virtual offices, and telework centers and satellite offices. Organizers of the week will distribute a free "how-to-participate" brochure, provide information via a toll-free phone number, 800-TELEWEEK, set up a Telecommute America! World Wide Web site, and present seminars in 19 cities—all to get participants geared up for the October event.

The effort comes in response to a growing number of workplace issues—addressing air quality concerns, balancing work and personal life, cutting overhead costs and increasing productivity—faced by corporations, small businesses, entrepreneurs and individuals. To meet new challenges, many companies see a need for the traditional office to undergo creative change.

Undoubtedly, the office is changing. As Chairman Bob Allen noted, "Innovative technology and creative applications are erasing the traditional workplace boundaries and enhancing people's lives at home, at work and on the go."

AT&T is committed to developing innovative telecommuting programs. The company has engaged in flexible work arrangements since the 1980s. Last year, 47,000 AT&T employees practiced some form of telecommuting. Helping to reinforce AT&T's role as a leader in telecommuting, AT&T Business Communications Services recently announced AT&T *Alternative WorkPlace Solutions*, a family of services designed to help businesses implement telecommuting programs (see "Services That Help Make Telecommuting Easier").

An estimated 9.1 million U.S. workers telecommuted in 1994, according to a survey conducted by FIND/SVP, a national research company in New York (see "The American Telecommuting Outlook"). That's a 20 percent jump from 1993. But experts say the number of telecommuters falls short of its potential. Author Jack Nilles, who coined the term "telecommuting," says 40 percent of the population could telecommute at least part-time, but only 10 percent does. ■



Sources: Data from 1990-1993: Link Resources. Data for 1994 & forecast: FIND/SVP, NY, NY

Services That Help Make Telecommuting Easier

AT&T Business Communications Services announced a family of services that will help businesses use AT&T's network intelligence to route calls to and from employees' homes or other alternative work sites. Called AT&T *Alternative WorkPlace Solutions*, the services support nontraditional work environments regardless of location—from individual telecommuting employees to remote call center agents. They join a number of products and programs AT&T already offers to telecommuters and home-based businesses. The services include:

- **Alternative WorkPlace Solutions—800 Service** which routes calls to a telecommuting employee or distributes calls equally to alternate locations if the primary telecommuting employee is busy.
- **Alternative WorkPlace Solutions—Remote Agent**, designed to help businesses manage off-site agents—employees who typically are involved in order processing, reservations, customer service or mass marketing.
- **Alternative WorkPlace Solutions—SDN**, extending AT&T's Software Defined Network services to both telecommuters working at home and mobile workers—those employees who may be on the road.
- **Alternative WorkPlace Solutions' consulting services**, which help businesses develop telecommuting programs, as well as training and hotline support.

NSG Wins More Business In Saudi Arabia and Egypt

By Ollie Hartsfield

AT&T'S PRESENCE AS A major builder of telecommunications networks in the Middle East is growing. The Kingdom of Saudi Arabia granted AT&T Network Systems Group (NSG) an award to add another 300,000 subscriber connections to the wireless network the business unit is installing in that country. Once contract negotiations are completed, the expansion project could be valued up to $800 million. It will bring the total number of AT&T wireless subscriber connections in Saudi Arabia to one-half million.

"The fact that the Saudi government is more than doubling the capacity of its wireless network is an indication of the boom in the wireless industry worldwide," says Mick Brown, president, Network Systems, AT&T Saudi Arabia. "It also shows the confidence the Saudi government has in Network Systems' ability to supply that wireless infrastructure."

Last year, NSG won a $4 billion contract to expand and modernize Saudi Arabia's telephone network. The contract included a wireless network that would handle 200,000 subscriber connections. This new award will bring the value of recent contracts to almost $5 billion. It will provide coverage to 16 additional cities and many major highways throughout Saudi Arabia, and will upgrade the 200,000 subscriber connections being implemented under the contract announced last year.

With the ability to handle one-half million subscribers, Saudi Arabia's wireless system will rank among the largest in the world.

Upgrading Egypt's Network

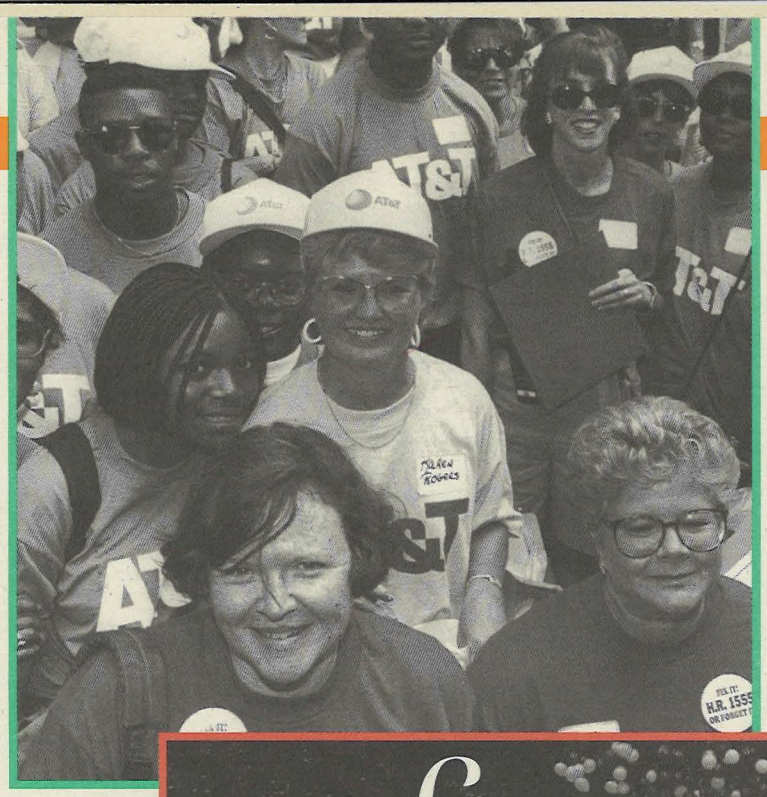
NSG also won a contract to expand and upgrade Egypt's telecommunications network in the regions around Cairo and Alexandria.

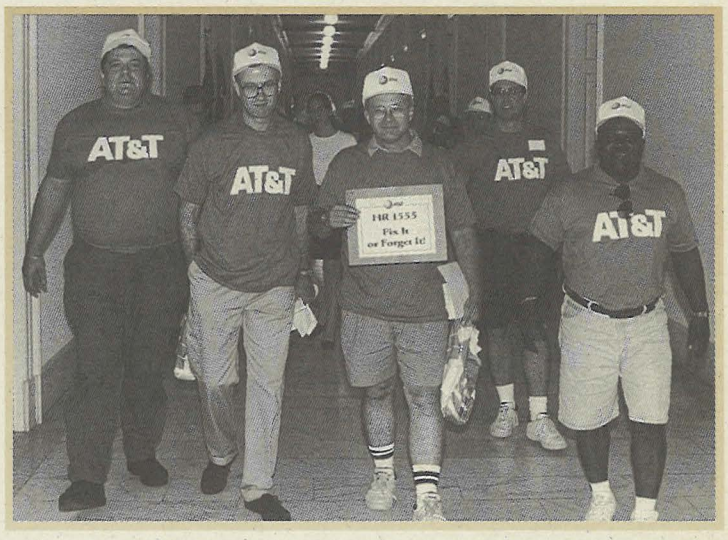
The agreement, worth nearly $24 million, is part of the Arab Republic of Egypt Telecommunications Organization's (ARENTO) "Telecom V" project to improve Egypt's nationwide network. It is being funded by a grant to Egypt by the U.S. Agency for International Development (USAID).

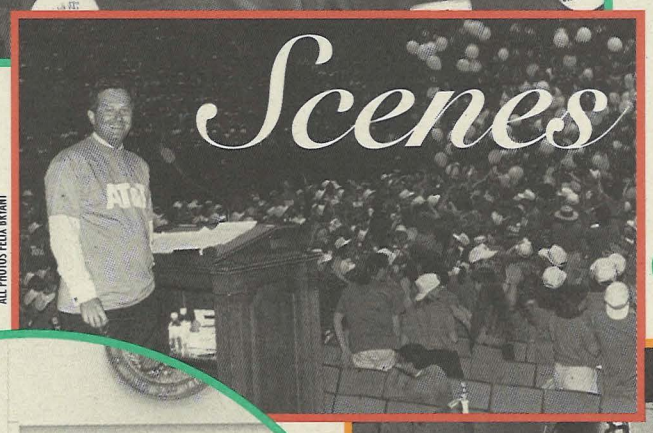
NSG will supply and install more than 100,000 lines, upgrading existing switching sites at Marioteya, Pyramid, Opera, Giza and Mokattam, and adding new remote switching sites at Kerdassa, Shobrament and Gleem.

The contract includes installation of AT&T's *5ESS*-2000 Switching Systems, technical support, and training for ARENTO's engineers and technicians.

The installation is scheduled for completion in the second quarter, 1996. ■

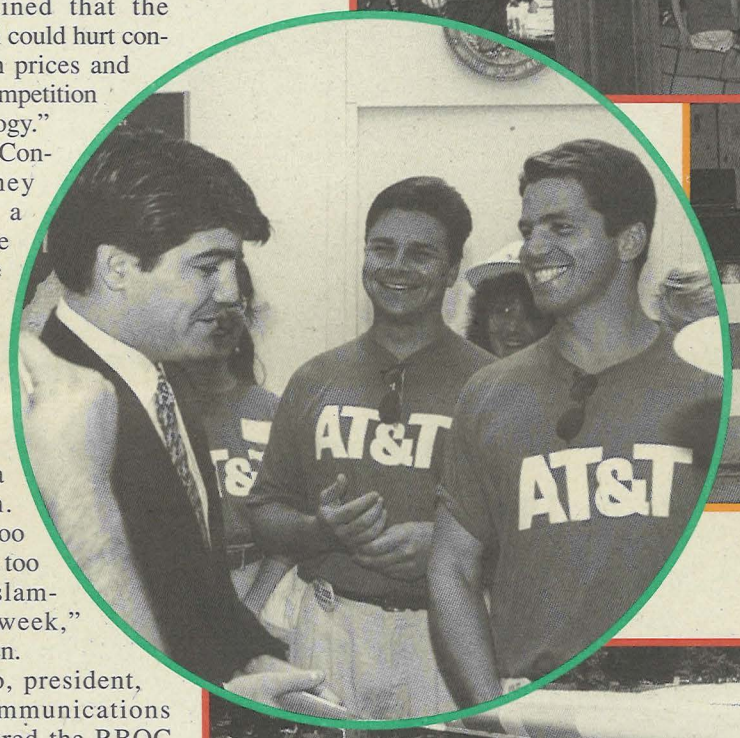


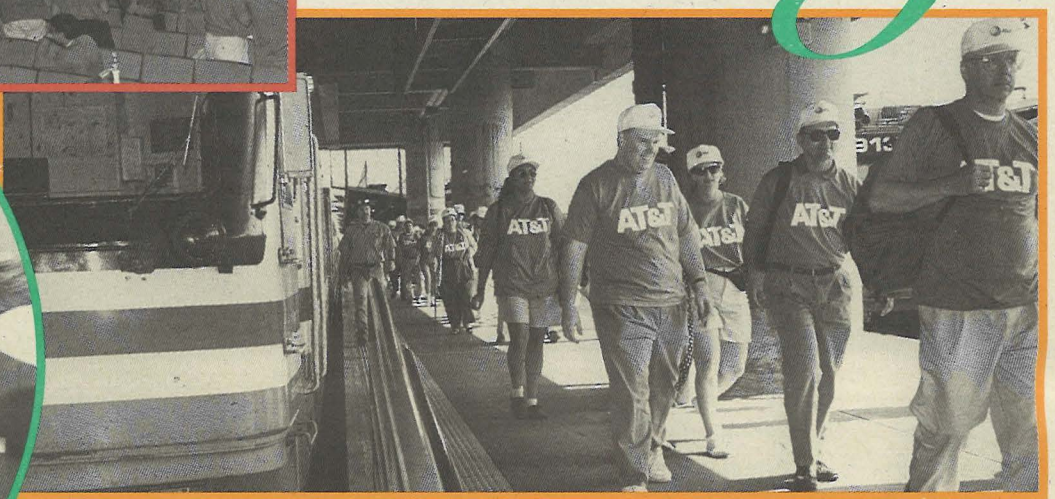




ALL PHOTOS FELIX BRYANT

FROM A *Rally*





Washington Rally

Continued from page 1

Baker, who now heads the CLDC—and even representatives from MCI and Sprint. "Today, we're all in this together," said Jerry Lowrie, AT&T senior vice president, Federal Government Affairs.

For Penny Daniels, assistant manager, Business Communications Services, being in D.C. was a chance to personally show members of the House of Representatives that the bill will affect not just an industry, but millions of customers and hundreds of thousands of AT&T employees.

Daniels and the rest of the employees heard from AT&T officers and government officials who laid out the key messages employees would take to the Hill.

"The stakes are high," said Chairman Bob Allen on videotape. He explained that the changes to the bill could hurt consumers with high prices and "choke off the competition that spurs technology."

New Jersey Congressman Rodney Frelinghuysen, a supporter of the long-distance industry's position on HR 1555, encouraged employees to help ensure that Congress doesn't make a hasty decision. "This bill is far too important and far too complex to be slam-dunked in one week," said Frelinghuysen.

Joe Nacchio, president, Consumer Communications Services, countered the RBOC claim that there is no competition in the long-distance business, citing that customers can choose from over 400 long-distance companies in the United States. "We win when we serve customers well," said Nacchio. "Customers want a choice."

As the rally ended, red, white and blue balloons rained down from the ceiling and the "Rocky" theme song, "Eye of the Tiger," filled the room. Employees made their way to buses that would take them to Capitol Hill. There was work to do.

Working the Hill

Employees were divided into teams of 20 or more. Each team was assigned offices to visit. Employees who could not attend sent signed petitions to be hand-delivered to the representatives from their state. The spokesperson for each team presented a red foam rubber hammer to each representative, along with a button that spelled out AT&T's message about HR 1555: Fix it, or forget it.

People on the Hill knew AT&T was coming, but the sight of thousands in blue heading up the white marble steps and down the long halls of the Congressional office buildings was still amazing. Especially to House staff members who greeted AT&T teams as they squeezed into the representatives' offices.

Several legislative assistants acknowledged that they were inundated with letters, phone calls, faxes and visits from AT&T employees and supporters. One assistant said this rally was the most impressive initiative he had seen so far.

A Day's Work Done

By late afternoon, employees had covered all 435 offices of House members.

Beverly Koehler, manager, Global Marketing Communications, was proud to participate in the day's events. "I felt good about this. I felt like we created more awareness."

The feedback that AT&T officials received from the Hill indicated that employees had left a strong and positive impression.

During the trip home, there was satisfaction among many employees that they had pulled together and showed they cared. ■

GIS Announces Restructuring

By Anne Wainscott

IN A LETTER TO EMPLOYees on July 28, AT&T Global Information Solutions' (GIS) Leadership Team announced GIS would restructure to reduce costs and make the AT&T unit profitable.

The letter stated, "You're all probably aware that on July 20 AT&T announced second-quarter results and GIS posted a $189 million operating loss. That loss continues an unacceptable earnings trend that makes it imperative for us to take decisive action to focus our business and reduce our cost structure.

"As a result, we are planning to restructure GIS by focusing the skills and talents of our associates on the businesses in which we have depth, breadth and market position. We're going to be a smaller but stronger unit of AT&T by refocusing our business on our inherent strengths.

"We're realigning our organization into six businesses—financial, retail, communications, computers, services and Systemedia. The new structure is a realignment of the Customer Focused Business Model, but adds a new degree of business rigor."

The letter went on to note that GIS will continue to develop computer platforms that can be used in any industry. However, GIS no longer will target the public sector, transportation and consumer goods manufacturing industries.

Two functions, retail and financial, which were formerly based in GIS's corporate headquarters in Dayton, Ohio, will move to Atlanta and London, respectively, to be closer to GIS development and manufacturing functions. Worldwide Marketing will be decentralized to the various businesses except for a small, centralized marketing strategy organization.

The number of GIS employees who will be affected by the restructuring was not disclosed, but employees should know their status before the end of the third quarter. ■

COURTESY BELL LABS NEWS

Members of the team who developed *Plan 9* are, foreground, from left, Dennis Ritchie, Dave Presotto, Rob Pike, background, from left, Tom Killian, Allen Eisdorfer, Tom Duff, Phil Winterbottom, Jim McKie, Howard Trickey and Sean Dorward.

Bell Labs Licenses *Plan 9*, A New Operating System

BY OLLIE HARTSFIELD

THE INVENTORS OF THE UNIX® system, a widely used operating system created at AT&T Bell Laboratories 26 years ago, have done it again. They've developed a new computer operating system, and AT&T is making it available for research, and educational and exploratory purposes. The system is named *Plan 9* after the science-fiction movie "Plan 9 From Outer Space."

AT&T is selling the source code—the commands that make the system work—along with a CD-ROM, four diskettes and documentation. Having the source codes will allow research and educational institutions to experiment with the system and integrate it into their work. The Bell Labs Research Effectiveness Division and AT&T Software Solutions will then negotiate licenses for anyone who wishes to use Plan 9 to produce a commercial product.

The Plan 9 team was led by researchers Rob Pike, Ken Thompson, Dave Presotto and Phil Winterbottom, with contributions from others in the Computing Science Research Center and support from Dennis Ritchie, head, Computing Techniques Research Department.

Thompson and Ritchie created the UNIX system in 1969. Then Pike and Thompson asked themselves what they would do differently if they started again. "The Plan 9 operating system is the outgrowth of that analysis," says Ritchie. But, he adds, it is not based on the UNIX system.

Plan 9 is based on the concept of distributed computing. It allows desktop or laptop computers to directly hook up to powerful servers that process data and store it in the form of files.

The UNIX system helped pioneer the technology of distributed computing, but its networking facilities were added after it was developed. In Plan 9, the networking facilities are integral to the design. Different kinds of machines can be linked.

"Plan 9 takes the idea of 'client-server' architecture to the limit by making all of the system resources look like data files that can exist either locally or remotely," says Ritchie. The new operating system can link different kinds of machines together, making them operate as if they were a single system. For example, a laptop computer can use data files stored on a central file server, while the same laptop acts as a graphics server to a program running on a mainframe.

AT&T already has licensed Plan 9 to approximately 200 colleges and universities. Larry Wittie, computer science professor at State University of New York at Stony Brook, told *New York Newsday* that Plan 9 could be a breakthrough because "it's designed for a mobile world in a way that no prior large major operating system ever was. It assumes a universe of people walking around with little computers in their shirt pockets, that can be hooked up to a high-powered machine from anywhere, to do any kind of computing."

The Plan 9 operating system currently controls the computer that maintains parts of the Bell Labs World Wide Web service, including the prototype WWW 800-number directory service. It is also used in exploratory work within AT&T.

The full Plan 9 kit (ISBN 0-03-017143-1), which includes the source code, a CD-ROM, four diskettes and two manuals, is available for $350. A partial kit (ISBN 0-03-017142-3), containing only the manuals, may be ordered separately for $125. Employees—and anyone else—interested in purchasing either kit can contact the distributor, Harcourt Brace & Co. at 800-462-8146 (U.S.) or +1-415-943-4076 (outside the U.S.). ■

DIVERSITY STRATEGY

AT&T Asks Top Suppliers To Develop MWBE Plans

BY OLLIE HARTSFIELD

BUILDING ON AN ALREADY successful program, AT&T is adding a new component to its Minority and Women Business Enterprise (MWBE) effort: an MWBE Second-Tier Program.

With the Second-Tier Program, AT&T is encouraging its top 100 suppliers to help expand opportunities for minority- and women-owned businesses by establishing MWBE programs of their own. AT&T is asking suppliers to set up and track their own MWBE procurement goals and to report that information to AT&T. The goals are based on the percentage of a company's total purchases that come from MWBEs. Future performance ratings of AT&T suppliers will include how well the suppliers meet their goals.

"The MWBE Second-Tier Program is becoming an expected practice in the business community," says Virginia Hardesty, manager, MWBE Business Development, AT&T Global Procurement. "Our customers have asked us for the same information."

"This program does not replace our corporate objectives to increase MWBE procurement by 10 percent each year," says Dan Carroll, AT&T senior vice president and chief procurement officer. "It provides another opportunity for MWBEs by encouraging corporations who have not yet developed a comprehensive MWBE program to do so."

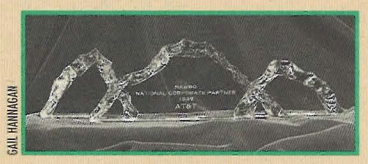
Last year AT&T increased purchases from minority- and women-owned businesses by 34 percent—more than three times the target goal. The company's long-term goal is for 12 percent of total company purchases to come from MWBEs. ■

More MWBE News

Examples of AT&T's support of MWBE firms were plentiful in July. Here are some highlights:

National Recognition

AT&T received the 1995 Corporate Partner of the Year Award from the National Association of Women Business Owners (NAWBO). The award is given each year to the company or organization that



GAIL HANNAGAN

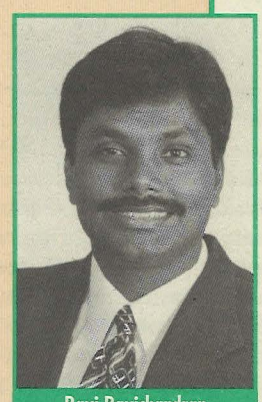
helps strengthen and enhance NAWBO's place in the business community and demonstrates its commitment to foster the growth and stability of women-owned businesses on a national level.

Contract to Native American Firm

AT&T Network Systems Group (NSG) awarded Cherokee Nation Industries Inc. (CNI) a three-year, multi-million dollar contract to become a value-added supplier of certain AT&T fiber-optic equipment to Southwestern Bell, one of NSG's customer. The agreement represents the largest commercial contract ever received by CNI, a long-time cable manufacturer in the defense industry. Along with the sale of the equipment to CNI, NSG will provide training on the assembly and distribution of the equipment at the CNI manufacturing plant in Stillwell, Okla. CNI also will be responsible for inventory management and processing orders for the equipment from Southwestern Bell Telephone.

Backing an Entrepreneur

NSG announced it would transfer the research and development, production and technical support on three switching related software products to COMNET International, a new MWBE company headed by former NSG engineer Ravi Ravichandran. The products—the Advanced Communications Package, the Basic Communications Package and the Telecommunications Resource Management System—are software systems used by network service providers and their customers to manage business telecommunications services. The systems will continue to be sold under the AT&T brand name by NSG sales staff nationwide. AT&T has licensed COMNET to sell these systems in India, Malaysia and Singapore.



Ravi Ravichandran

GLOBAL VIEW

AUSTRALIA

SYDNEY—GLOBAL INFORMATION SOLUTIONS has been selected by Optus World as its strategic information technology supplier. Optus World is a planned national network of 150 franchised retail stores to be opened here during the next 18 months. AT&T Global Information Solutions will supply up to $3 million-worth of hardware, software and services for the Optus World chain. The equipment and software include AT&T *Globalyst* desktop personal computers, MS®-DOS operating system software, Divergent point-of-sale software, staging, testing, installation, maintenance and training for store personnel.

CHINA

SHANGHAI—AT&T and the Shanghai Posts and Telecommunications Administration announced the formation of AT&T Shanghai Network Technology Company Ltd., a joint venture to offer computer network engineering services to the burgeoning business sector in the greater Shanghai area. The partnership is AT&T's first major venture that will offer integrated data networking and related technical services to the business community. The company will provide a wide range of leading-edge computer services including: consultation, design, engineering, software development and sales, equipment, interface technology and maintenance. AT&T holds 51 percent equity.

CZECH REPUBLIC

PRAGUE—BUSINESS COMMUNICATIONS SERVICES is keeping the lines of communications open for Radio Free Europe/Radio Liberty with AT&T International *ACCUNET* Digital Service. AT&T's first terrestrial digital service between the United States and the Czech Republic is enabling Radio Free Europe/Radio Liberty to deliver U.S. news programs to Central Europe and the former Soviet Union from its new headquarters here. AT&T's service supports the transmission of high-speed, high-volume data and voice communications virtually error-free between networks in the United States and more than 30 countries.

GERMANY

AUGSBURG—NETWORK SYSTEMS GROUP will open a wholly owned fiber-optic cable manufacturing facility here to serve markets in Europe, the Middle East and Africa. Establishing the facility is a response to customers' increasing demand for high-speed, high-capacity fiber-optic cable. Production will begin by the end of the year. NSG currently is installing thousands of kilometers of fiber-optic cable in transmission and network access projects in Germany, the Czech Republic, Poland, Saudi Arabia, the United Arab Emirates, Egypt and other countries.

THE NETHERLANDS

HILVERSUM—NETWORK SYSTEMS GROUP and Raychem Corp. of Menlo Park, Calif., have signed a cooperative agreement in which AT&T will manufacture and market a new integrated digital access solution that allows network operators to rapidly and economically provide dial tone capabilities to their customers. AT&T Network Systems Group will offer the digital loop carrier system to operators in parts of Europe, the Middle East and Africa, and the Asia-Pacific region—areas where demand for dial tone service is high and operators want to increase teledensity.

UNITED KINGDOM

LONDON—AT&T was rated the number 1 service provider in a recent survey of telecommunications managers in 1,000 of the world's largest companies. The survey was conducted by CIT Research, an analyst group based here. Telecom managers were asked to select the supplier with the best reputation in: Geographic Coverage, Low Tariffs, Network Reliability, Billing Flexibility, Network Management, Range of Services, Innovation with New Services, Customer Services, Corporate Image, and Flexibility in Contract Negotiations. AT&T was the leader in all categories but Flexibility in Contract Negotiations and Low Tariffs. In reporting the results, CIT said, "Despite tough competition in the U.S., AT&T has built a reputation as a first-class service provider and has extended this worldwide."

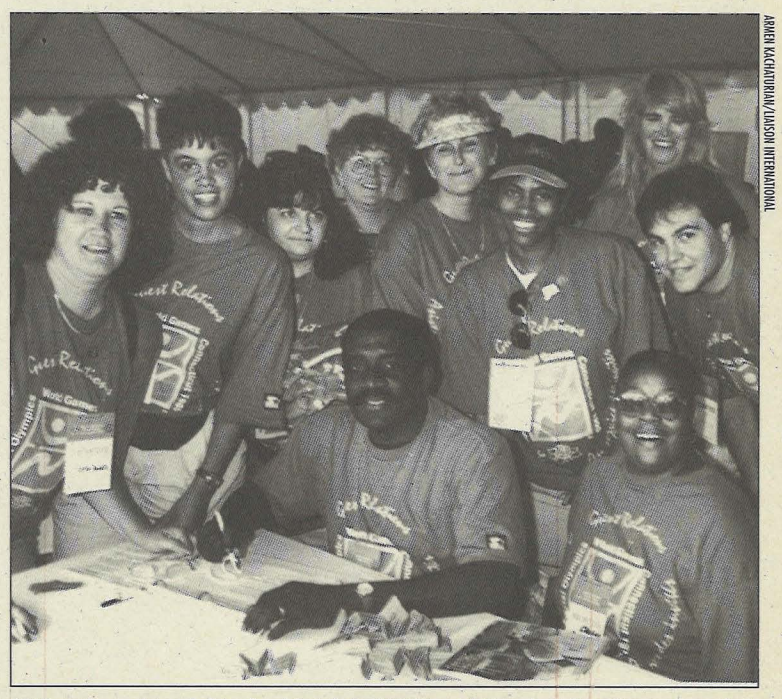
NSG Data Equipment Performs Flawlessly at Special Olympics

By Ollie Hartsfield

MINUTES AFTER THE WHISTLE blew, ending the finals of the Special Olympics World Games soccer match in Connecticut, the game results and statistics were in the hands of Special Olympics coaches—thanks to a new wireless technology supplied by AT&T Network Systems Group (NSG). The technology was Cellular Digital Packet Data (CDPD), a way of transmitting high-speed bursts of data—packets—using the spare capacity on cellular voice calls. It was the first time CDPD had been used by the the Special Olympics—and it passed with flying colors.

"We were impressed by how quick the system works. It is much faster than we thought," said Steve Ponessa, a programmer on loan from IBM, who helped set up the computer systems for the Special Olympics.

The CDPD technology was part of the AT&T *Autoplex* System 1000 used by Southern New England Telecommunications Corp. (SNET) to transmit cellular calls and data during the events. SNET, the official telecommunications provider for the Special Olympics, used NSG's CDPD equipment for three of the 22 sports events: soccer, volleyball and gymnastics.



ARMEN KACHATURIAN/LIAISON INTERNATIONAL

AT&T employees lent a helping hand during the 1995 Special Olympics in New Haven, Conn., by filling volunteer roles such as guest relations staff members and referees. These employees operated the registration center at the Yale Bowl during opening and closing ceremonies.

"CDPD is poised to take off as the premier technology for wireless packet data transmission," says Ted Wislinski, CDPD product manager, NSG.

Another CDPD Success

Meanwhile in New Jersey, NSG and Bell Atlantic Nynex Mobile became the first companies to demonstrate the enhanced performance of a new version of CDPD technology, called Specification 1.1.

Field tests performed on five cell sites in Bell Atlantic Nynex Mobile's Atlantic City, N.J., system successfully showed cleaner hand-offs from one cell to another, allowing less interference and better data transmission. The network infrastructure for the Atlantic City system is provided by NSG. ■

AT&T Partners With Six Firms To Develop On-Demand Printing

By Collins Yearwood

ANYTIME, ANYWHERE CAPABILITIES are coming to the printing industry. AT&T Business Multimedia Services (BMS) and printing-industry leaders have teamed to develop push-button document delivery.

Imagine you're the publisher of an owner's manual for an automobile. You've just gone to press when the manufacturer calls and tells you the gas filler door is actually on the left side of the car, not on the right as the manual indicates.

Currently, this kind of situation involves costly changes and frantic calls to the printer. A calamitous chain reaction ensues in which deliveries have to be canceled or rescheduled.

This nightmare scenario, which plays out all too frequently, could become a fading memory with AT&T's Network Demand Printing (NDP) service, now being trialed with Xerox Corp. BMS recently announced alliances with six printing equipment and graphics software companies to extend the reach of AT&T NDP service, which will make last-minute changes a breeze and document distribution simple, because printing can be done at multiple sites, simultaneously. As a result, customers can save money on shipping and storage costs.

The service allows publishers to send a document to a printer with instructions about the binding, number of copies, and where the completed job is to be delivered.

The network receives the file, stores it if required, determines all the access provisions for security and reliability, notifies the destination that the job is waiting, tracks the job status end-to-end, and notifies the sender when each job is completed and received at the destination site.

Agfa-Gevaert Group, Eastman Kodak Company, Indigo N.V., and Scitex Corp. Ltd. have signed agreements with AT&T, while Adobe Systems Inc. and Quark Inc. have signed memoranda of understanding. The companies plan to evaluate and adapt their print technologies to operate with AT&T's service.

"Over time we believe this will fundamentally change the way businesses and people work," says Kathleen Earley, vice president, Business Multimedia Groupware Services, a strategic business unit of BMS, at a news conference announcing the service. "We come from a heritage of making phone calls easy, so we believe it should be as easy to distribute and print documents as it is to make phone calls."

Currently the service connects with Xerox Docutech Network Printers, but BMS plans to extend the reach of the service to work with printing equipment from Agfa, Indigo, Kodak, and Scitex. In addition, AT&T plans to include software from Adobe Systems and Quark on its network-based service.

The service currently supports black-and-white documents. BMS expects to provide color capabilities, on-line document storage and directory services next year. ■

Revenues, Expenses Both Increase

Continued from page 1

The True programs continue to be very successful, with more than 6 million sign-ups in the quarter.

AT&T Wireless Services revenues, including cellular, messaging and air-to-ground, increased 30 percent. More than 330,000 cellular subscribers were added during the second quarter, to bring the total to 4.7 million. This represents an increase of 42 percent compared with last year at this time.

Network Systems

Sales of network telecommunications products increased 6.9 percent compared with the second quarter of 1994. Although there was some sluggishness in U.S. sales, international sales were double-digit.

Sales by the commercial markets unit that sells to independent telephone companies, cable companies and competitive access providers were strong, as were sales of wireless equipment.

Global Information Solutions

GIS experienced another difficult quarter, primarily as a result of lower margins, softness in revenue growth and a less favorable product mix. Total revenues grew nearly 7 percent over the second quarter of 1994 (when numbers are adjusted for the sale of the Microelectronics division), but the unit reported an operating loss of $189 million for the quarter.

Multimedia Products

Global Business Communications Systems' revenues moved up at a double-digit rate, with international continuing its strong growth.

Consumer Products' unit sales increased solidly, but product revenues were down slightly for the quarter.

Microelectronics had the best revenue in its history this quarter, showing very strong growth, particularly outside the United States.

Financial Services

Financial services revenues increased 27.7 percent over last year, with robust growth at both Universal Card and Capital Corp. Capital Corp. posted net income of $27.9 million for the second quarter of 1995, a 48 percent increase from the $18.9 million reported for the same quarter of 1994.

Costs and Expenses

Although costs rose 4.8 percent, they declined as a percent of revenue for the quarter.

Expenses increased 8 percent, mainly because of stepped-up marketing and sales efforts, international expansion and spending to add cellular subscribers.

Research and development expenses rose 17.4 percent, reflecting AT&T's continued commitment to new and improved products and services.

"Looking forward for AT&T," Miller said, "our communications services and financial services units are performing very well and we believe the second half of the year will see an improvement in most of our product and systems businesses."

Analysts applauded AT&T's strong performance across most of the company, especially in long-distance volume, which was better than expected. However, they expressed concern about the operating loss at GIS.

Acknowledging the business unit's difficulties, Allen said, "We're disappointed with results in our computer business, but our people in Global Information Solutions are working hard to turn things around." Allen noted that GIS, under the direction of its new president Lars Nyberg, is moving quickly to put plans in place to improve profitability. ■

Performance Award At 4.7 Percent

AT&T's Economic Value Added (EVA) results for the second quarter were $527 million, bringing the total for the first six months to $796 million—94 percent of the target for the first half of the year and two percentage points higher than first quarter. The company's total EVA target for 1995 is $2.2 billion.

Based on second-quarter results, the 1995 AT&T Performance Award (APA) is currently projected at 4.7 percent of individual earned base salaries, which is 94 percent of the target award of 5 percent of earned base salaries.

"It was a good quarter, with revenue growth in all areas of the business," said Maureen Tart, vice president and controller. "We've begun to close the gap on our year-end target. If we focus on cost containment and value-creating activities on our jobs, I'm confident we can reach or exceed our target in the second half of the year."

The APA award is payable in March 1996 to employees in the management pay plan and the technical personnel plan.

Microelectronics Chipset Enables Collaboration

By Ollie Hartsfield

COLLABORATIVE COMPUTING provides people in different locations with the ability to work together via computer—talking, sharing files, viewing video and graphics, and editing documents simultaneously. Today's technology already has made collaborative computing possible. AT&T Microelectronics is making it easier with a modem chipset that works with both digital simultaneous voice and data (DSVD) technology and business-related audio applications. The chipset, called the AT&T *Catamaran*, uses DSVD technology to send simultaneous voice and data messages over a single telephone line.

The Catamaran works well in collaborative computing because it gives users the freedom to work on the computer keyboard, talk, and send or receive files simultaneously, without having to juggle a telephone handset or switch between voice and data transmission modes. The chipset also lowers the cost of collaborative computing by eliminating the need for a second telephone line.

The chipset is compatible with other existing DSVD technologies, which is "proof of Microelectronics' commitment to interoperability," says Bob Rango, product line director, Microelectronics.

For more information about the AT&T Catarmaran call 800-372-2447, Dept. P60. ■

Pssst. Want Visions? The Subscription's Free

A FREE SUBSCRIPTION TO *Visions*, a new quarterly journal that supplements *AT&T News* with articles that focus on the strategies and plans of AT&T and its businesses, is available to any employee for the asking.

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- A look at dynamic changes taking place in two of AT&T's largest business groups—Communications Services and Network Systems.
- How managers will know when the strategies for realizing AT&T's bold new future are working, and some tools for measuring results.
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True Rewards Offers More Choices

By Suzanne Sidhu

WHO COULD RESIST A FREE night's stay at a hotel, a discount on a filet mignon, or a one-of-a-kind basketball team T-shirt?

These redemption options and more are now available to members of AT&T *True Rewards* program, which allows them to redeem True Rewards points for:

A certificate for a free night at Marriott Resorts with every four consecutive night reservation; a $150 Marriott food and beverage certificate valid at Marriott's offshore resorts; five Marriott Honored Guest Awards frequent travel points for each True Rewards point; Marriott Gift Cheques.

Discount certificates allowing 25 percent off non-discounted rates seven days a week at participating Holiday Inn SunSpree Resorts and Crowne Plaza Hotels and Resorts.

True Rewards Extras—a new program feature that offers a wide range of valuable, limited-time offers throughout the year, for example, special offers on Lion King® merchandise from The Disney Store, officially licensed NBA merchandise and fine fruit or gourmet steaks from Harry and David.

AT&T customers who spend $25 or more a month on qualifying AT&T calls are eligible to join the True Rewards program. They earn points based on their long-distance usage, and can redeem the points for a wide variety of products and services.

In less than two years, more than 17 million consumers have enrolled in the program, making it the most successful long-distance program in history.

The reason? True Rewards lines up a number of attractive products and services and allows consumers to choose the ones that are right for them. Redemption options include: frequent flyer miles on Delta, United, USAir, and British Airways; merchandise from The Disney Store and The Disney Catalog, subscriptions to The Disney Channel, and exclusive pricing on vacations at The Walt Disney World Resort; AT&T long-distance certificates, checks, and Universal Card certificates; paging and messaging services; and the hotel discounts and merchandise extras announced last month. Members can also pool points with other True Rewards members or give their reward as a gift. For more information about True Rewards, call 800-869-9900. ■

BCS Employee Establishes Neighborhood Computer Classes

By Suzanne Sidhu

AT AGE 25, JOSEPH ANDRIEUX is concerned about the legacy he'll leave behind. Not that he's planning to check out any time soon. It's just that when he does, he wants to be remembered as having done something good, especially for kids.

"People helped me when I was growing up," says Andrieux, an AT&T Business Communications Services (BCS) account executive in Reading, Pa. "If they hadn't, I wouldn't be where I am today.

Growing up as the son of a single parent in the Harlem section of New York wasn't easy. But because of his mother's insistence that he get a good education, and some teachers who spent time with him after school, Andrieux became a computer whiz with the right stuff for college and for a job with AT&T.

When he saw the South Ninth Street neighborhood in Reading, it reminded him of his youth—bright, curious kids in a poor neighborhood where few people could show them a way out.

But Andrieux believed he could show a way and began lobbying a local minister who also is a city councilman. The Rev. Frank McCracken gave Andrieux the use of a basement room in his church. Andrieux and friends went to work, tearing out walls, installing paneling, dropping a ceiling, and bringing in rugs, tables and chairs—and 10 rehabilitated AT&T computers.

"Caroline Sherman from BCS Asset Management in Atlanta helped locate the computers for me," Andrieux said. "They needed some repair, but not much. I was able to get them up and running quickly."

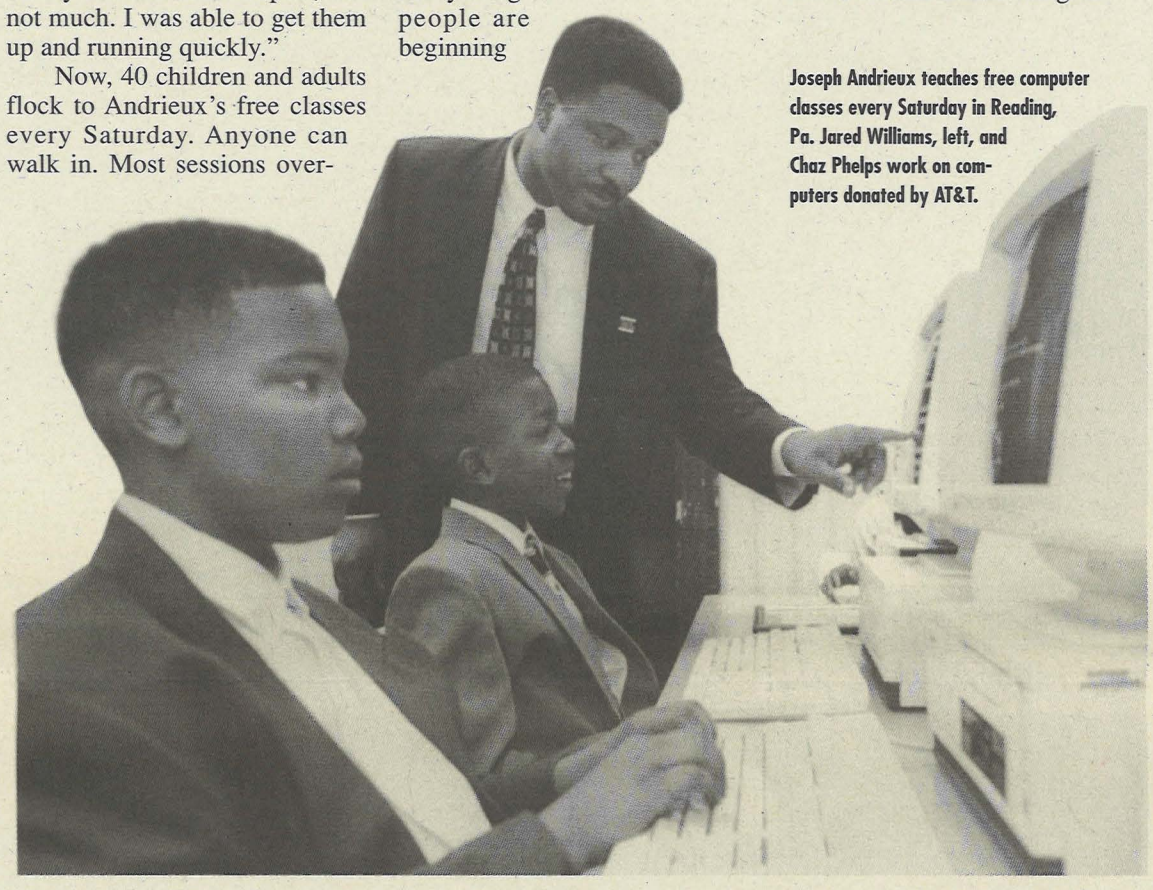
Now, 40 children and adults flock to Andrieux's free classes every Saturday. Anyone can walk in. Most sessions overflow, with people sitting on the floor to watch and listen as Andrieux explains how computers work, taking one apart and putting it back together to give the students a sense of the machine's inner workings. In later sessions he covers popular software applications.

After two months of classes, the young people are beginning to think they can be something. Eleven-year-old Chaz Phelps says he's looking forward to learning more about computers. "I'm going to be a technician someday," he says.

And adults have new-found skills—they're learning about cover letters, resumes and spreadsheets.

"I'm glad it's worked out," Andrieux says. "It's psyched people up, and shown that anyone can get out in the community and make a difference."

In a world where so many problems seem insoluble, Andrieux's success is heartening. ■



Joseph Andrieux teaches free computer classes every Saturday in Reading, Pa. Jared Williams, left, and Chaz Phelps work on computers donated by AT&T.

VIDEOCONFERENCING

University of Maryland sophomore Joe Smith, the first person selected in the recent 1995 National Basketball Association (NBA) draft, met "face-to-face" with officials of his new team the Golden State Warriors, using the AT&T *VISTIUM* Personal Video System. Smith was the first player in the history of the NBA draft to meet by videoconference with the management of the selecting team. The VISTIUM desktop videoconferencing system was installed in Toronto's SkyDome, site of the NBA draft, and in Oakland, Calif., where the Warriors management is headquartered. Following their conversation, Smith met via the VISTIUM System with Bay Area sportswriters and reporters, an interview session that was broadcast live via a large-screen television to more than 5,000 NBA fans on hand in the Oakland Coliseum Arena. AT&T is an official telecommunications sponsor of the NBA.

Charities Get Benefit of Dress Down

By Suzanne Sidhu

WOULD YOU PAY TO WEAR jeans to work? A group of AT&T Solutions employees does, and gives the money it collects to charity.

The team members manage a telecommunications network at United Technologies Corp. in Newington, Conn., and participate with United Technologies employees there in a dress-down fundraiser each month, giving $15 for the privilege of being comfortable. The $3,000 to $4,000 they collect each year is donated to local charities selected by the group.

Recently the team was recognized for its charitable spirit by United Technologies President and CEO George David, who presented the combined group a $1,000 award to add to their fund. ■

AT&T NEWS

Volume 2, Issue 8
August 1995

Published by the Public Relations & Employee Information Division.

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